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C O N F I D E N T I A L SECTION 01 OF 03 MINSK 000605

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [PHUM](#) [BO](#)
SUBJECT: CZECHS BLOCK SENIOR GOB VISAS, PASS
MONEY-LAUNDERING RUMORS

REF: A. MINSK 443
[1](#)B. 05 MINSK 470
[1](#)C. 04 MINSK 1331

Classified By: AMBASSADOR GEORGE KROL FOR REASONS 1.4 (B, D)

[1](#)1. (C) Summary: The Czech Embassy recently passed over information that Lukashenko's son, Dmitry, and Prime Minister Sergei Sidorsky and his family all applied for Czech visas. The Czechs did not issue to Dmitry or Sidorsky, even though neither is on the EU's visa ban list. The Czech Charge also passed speculation he has heard that Sidorsky may be using his daughters to launder money for the regime. Recently, another long-term embassy source repeated similar accusation about Sidorsky and money-laundering, as well as more details on the alleged illicit business connections of Viktor Lukashenko and former pro-regime presidential candidate Sergey Gaidukevich. Post cannot confirm this information, but rates it as plausible. Post notes that the Czech Charge speaks with Podgol, so these accusations may be from one source. End summary.

Visa Bans Effective

[1](#)2. (C) On June 7, Czech Charge Vladimir Ruml passed to Poloff information on several recent Czech visa applicants. Dmitry Lukashenko (DPOB 23 March 1980 Mogilev, passport DP003126), son of President Aleksandr Lukashenko, and his friend Andrei Karpovich (DPOB 1 March 1972 Minsk, passport DP0003856) applied for visas to spend ten days in the Czech Republic. Lukashenko's application said he works as Chairman of the Presidential Sports Club, while Karpovich's listed him as an army officer (albeit one with a diplomatic passport). The Czechs did not deny them visas, neither is on the EU visa ban list, but simply and purposefully told them "Prague has not told us what to do." The two retrieved their passports without the visas.

[1](#)3. (C) Also in late May Prime Minister Sergei Sidorsky (DPOB 13 March 1954 Gomel, passport DP0003734), his wife Lyudmila Sidorskaya (DPOB 22 August 1954 Gomel, passport DP0004137), eldest daughter Elena Melnikova (DPOB 30 October 1976 Belarus, passport MP1995515) and her husband Vitali Melnikov (DPOB 8 July 1973 Belarus, passport MP1995516), as well as younger daughter Oksana Sidorskaya (DPOB 15 June 1983 Belarus, passport MP2095550, name likely changing to Oksana Markovicha) and her husband Yury Markovich (DPOB 9 January 1968 Belarus, passport MP2094763) applied for Czech visas. Oksana and Yury were recently married and the family wanted to go on honeymoon to the Czech Republic. The Czechs issued to Lyudmila, but refused PM Sergei, even though he is also not on the EU's visa ban list. They were prepared to issue limited visas to the rest, but the family retracted the

applications. Ruml said the German Embassy had issued Schengen visas to the Sidorsky family, so they might be able to travel to his country regardless. He added that many senior GOB officials travel to his country (ref A), and that many Belarusian KGB officers travel especially to Karlsruhe.

The Money Trail, Version 1

14. (C) Ruml also stated that he has heard that Sidorsky is using his family ties to move money out of Belarus. Ruml said that according to their visa applications daughter Elena and her husband are both economists working for Belneftekhim somewhere in Germany. Younger daughter Oksana is an economist for Velcom, which Ruml stressed is owned by the GOB (including Beltechexport, a GOB arms exporter) and a Syrian company, SB Telecomm (ref B). Ruml claimed that Velcom is used to launder money from arms exports, and that his sources told him Sidorsky then transfers money to the EU through his daughter in Germany.

The Money Trail, Version 2

15. (C) During two separate meetings on May 26 and June 6, independent analyst Vladimir Podgol passed Poloffs information about GOB officials and their roles in laundering illicit weapon and oil-for-food money. Podgol, who is researching the family ties of those on the EU visa ban list (for who he did not say, although Post knows he gives information to several EU embassies), implicated two GOB

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officials involved in the process--leader of the pro-government Liberal Democratic Party of Belarus (LDPB), Member of Parliament, and former "presidential candidate" Sergey Gaidukevich and PM Sergey Sidorsky. According to Podgol's source (former LDPB deputy leader Oleg Markevich), Lukashenko's eldest son Viktor and Gaidukevich are, for business purposes, very close. Viktor, who Podgol said held the rank of Colonel but has the power of a Major General, is rumored to be the principal official in charge of Belarus' weapons trade. During this year's elections, Lukashenko and his cabinet were angry with Gaidukevich for his laziness and failure to steal the desirable number of votes from the opposition. But now Gaidukevich is one of the most protected and untouchable men in Belarus. According to another Podgol source, the Presidential Administration forbade security services from investigating, following, or conducting surveillance on Gaidukevich. Therefore, Podgol suspects Gaidukevich is laundering Viktor's weapons-trade money through channels in Europe, particularly through his daughter, Anya, who is a "student" living and studying in Austria.

16. (C) Podgol went into greater detail about Gaidukevich's oil-for-food schemes (Note: Gaidukevich is named in the Duelfer Report.). Gaidukevich reportedly cheated dozens of people out of their share of the money, including from his LDPB deputies. One of those who he stole from is Russian oil man Vladimir Grigorivich Stepanov (Moscow, Ul. Oktyaberskaya, Nessi Office, building 4 (or 6), behind the Soviet Army Theater.). Podgol accused the U.S. firm Chevron of being the final buyer of the Iraqi oil purchased and moved by Gaidukevich. Podgol reasoned that if someone were curious enough to investigate further, all one would have to do was locate Stepanov and ask him for the bank account numbers he sent his money to for Gaidukevich.

17. (C) Podgol speculated that Gaidukevich could have his fingers in Belarus' gold reserves. His son, Oleg Sergeivich, is deputy chief of the Partizansky district police. Oleg's wife works at Trustbank (formerly known as Infobank, under

U.S. Treasury sanctions) and her father is the director of the Committee of Precious Metals. Podgol speculated that Gaidukevich is using his daughter-in-law's father to convert illicit money into precious metals and jewelry, which could explain why Belarus' gold reserves continue to increase.

Velcom: A Company With A History

18. (C) It is widely speculated that Velcom is part of the GOB's money laundering system. Sidorsky's daughter is an economist with Velcom and Viktor Lukashenko in 2005 was appointed deputy director general of the GOB-created cell phone company, BeST, which has monopolized all Belarus' mobile networks, including Velcom (ref B). Podgol explained that Velcom's shady business came into the open a few years ago when its director, a Lebanese (or Arab, Podgol continued to interchange these terms) named Gasan Chalabi was arrested.

According to Podgol, the acting BKGB chief at the time, Leonid Yerin was ordered by the Kremlin to assume tight control over the GOB's money laundering scheme in case the GOR needed to quickly deprive Lukashenko of his revenue sources. Yerin hired two Colonels who specialized in computer and economic security and over time discovered that Chalabi stole USD 1,000,000 from Lukashenko. Chalabi was arrested on this pretext and was to be interrogated, but the day after his arrest, Lukashenko stated on TV that he personally pardoned Chalabi.

19. (C) Podgol suspects Lukashenko did not want Chalabi to disclose details about the money laundering via Velcom and freed him before interrogations. Chalabi disappeared abroad not long afterwards. Lukashenko ordered Yerin to fire the two Colonels under his command and deprived them of their pensions. Podgol claimed much of his information comes from these two Colonels, who regularly leak secrets out of spite. (See ref C for previous info from Podgol on Velcom's ties to terrorism.)

Comment

110. (C) Due to the GOB's secretiveness and obvious lack of transparency, we are unable to confirm these money-laundering rumors. However, we have heard similar statements about Gaidukevich in the past from his own LDPB deputies and from other sources. If this is true, than Gaidukevich is likely a

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marked man and needs the protection that Podgol claims Lukashenko affords him. As for Sidorsky, we cannot confirm his involvement in moving illicit money to Europe, but his daughters' employment and his ability to move easier than other GOB officials through Western Europe (Sidorsky is not on the EU visa ban list) would make him a valuable commodity to any purported GOB money laundering scheme.

Krol